

Internal Revenue Service

Department of the Treasury

District
Director

Person to Contact:

Telephone Number:

Refer Reply to:

Date: OCT 30 1986

Gentlemen:

We have considered your application for exemption from Federal income tax as an organization described in section 501(c)(6) of the Internal Revenue Code of 1954.

The information submitted discloses that you were incorporated under the nonprofit corporation laws of the State of [REDACTED] on [REDACTED].

From the information submitted, it appears that your organization was formed to operate a "Certified Farmers' Market" to provide producers of agricultural products with an opportunity to sell their products. It appears that operating such a market is your primary activity.

Section 501(c) of the Internal Revenue Code of 1954 describes certain organizations exempt from income tax under section 501(a) and includes:

"(6) Business leagues, chambers of commerce, real estate boards, boards of [REDACTED], or professional football leagues (whether or not administering a pension fund for football players), not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual."

Section 1.501(c)(6)-1 of Income Tax Regulation states, in part, as follows:

"A business league is an association of persons having some common business interest, the purpose of which is to promote such common interest....It is an organization of the same general class as a chamber of commerce or board of trade. Thus, its activities should be directed to the improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for individual persons."

An organization that is primarily engaged in providing particular services for individual persons will not qualify for exemption under section 501(c)(6). Activities that are designed to help individuals sell goods or services are "particular services".

Code	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
	EP/EO:TS	CHIEF EP/EO:TS	EP/EO	D			
Surname	[REDACTED]	[REDACTED]	[REDACTED]				
Date	10-27-86	10-28-86	10-29-86				

Your organization's primary activity is operating a Farmers Market to help individuals sell agricultural products. Your organization is not entitled to exemption under section 501(c)(6) because it is primarily engaged in providing particular services for the individuals in question.

You are required to file Federal income tax returns annually, with your District Director.

If you are in agreement with this proposed determination, we request that you sign and return the enclosed agreement Form 6018. Please note the instructions for signing on the reverse side of this form.

If you are not in agreement with this proposed determination, we recommend that you request a hearing with our office of Regional Director of Appeals. Your request for a hearing should include a written appeal giving the facts, law, and any other information to support your position as explained in the enclosed Publication 892. You will then be contacted to arrange a date for a hearing. The hearing may be held at the office of Regional Director of Appeals or, if you request, at a mutually convenient District Office. A self-addressed envelope is enclosed.

Sincerely yours,

District Director

Enclosures:
Publication 892
Form 6018